

Minutes

Seattle City Employees' Retirement System Regular Board Meeting

Wednesday, March 4, 2009 – 9:06 a.m.
Pacific Building, 10th Floor

Present: Jean Godden, Mark McDermott, Lou Walter (via telephone), Mary Norris, Rod Rich and Frank Mathews (via telephone).

Absent: Dwight Dively

Also Present: Jim Taylor, ARSCE; Walt North, ARSCE; Ken Least, ARSCE; Gwen Jensen, ARSCE, Bill Kruller, ARSCE; Arlene Geist, RCLEA; Kenneth Edward Yeager, Retired; Carlton Seu, City Attorney's Office; Mike Monaco, Song Mondress; Charles P. Carter, Summit Law Group and Cecelia M. Carter, SCERS Executive Director.

Jean Godden as Chair called the meeting to order at 9:07 am

Public Comment: Ms. Geist expressed her concerns regarding the alternative managers currently doing business with Seattle City Employees' Retirement System. Ms. Geist also expressed her concern as to whether the current mortality tables adopted by the Board are the most meaningful given the longevity of peoples lives today.

Minutes:

Upon motion by Rod Rich, seconded by Mary Norris, the Retirement Board approved the minutes from the February 4, 2009 Retirement Board meeting with the correction to the year.

Ratification of Retired Payroll, Office Payroll, Other Payments and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 8,206,121.54
Beneficiary	\$ 1,117,924.65
Disability	\$ 86,501.28
Pension Payroll – PPE February 27, 2009	\$ 9,410,547.47
Office Payroll - pay dates January 6 & 20, 2009	\$ 26,299.72
Vouchers Processed – January 31, 2009	\$86,971.15 *
* \$0.00 Expert and Consultant Services	

Immediate Withdrawals of Contributions:

MEMBER	Department Name	Position
Aberra, Fitsum	SPU	Capital Proj Coord, SR
Bingham, Patricia Louise	Neighborhood	Admin Spec I
Bolender, Angelika	Parks	Rec Attendant
Carrillo Martinex Edwin Orlando	SDOT	Lead Tree Trimmer
Cerro, Renato	HSD	Counselor
Chin, Candice	DOF	Strategic Advisor II
Gael, Lilah	DEA	Administrative Staff Analyst
Gee, Allison G	Seattle Center	Stage Tech
Hayes, Elizabeth	Muni Court	Admin Spec II
Henry, Marcus A	Light	Utility Construction Worker

Lawton, Pi-Ya P	Seattle Center	Janitor Lead
Lo, Joshua T	SPU	Cooperative Intern
Longford, Luke Henry	DPD	Permit Tech
		Management System
Mezias, Alice Marie	SPU	Analyst
Miller, Allyson	Police	Admin Spec II
Pruitt, Dustina T	Police	Accounting Tech II
Seilhymmer, Loralynne B	Police	Administrative Specialist II
Simon, Anthony	Parks(active Death)	Maint Aide
Torres, Ronald M	Light	Lineworker
Troope, Leslie Ann	Light	Manager II

20 Withdrawals for a total of: **\$258,579.38**

Motion: Upon motion by Lou Walter, seconded by Mary Norris the Retirement Board ratified the Retiree Payroll, Office Payroll, other Payments and Withdrawals.

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

Retiree	Ret Date	Yrs	Days	Dept Name	Position	Age
Acido, Zosima V	2/4/2009	30	90	Fleets	Accountant	63
Bass, Susanne J	1/21/2009	20	209	SDOT	Admin Spec III	55
Cady, Gary L	2/4/2009	13	96	Parks	Golf Course Tech	60
Charles, Wesly J	1/10/2009	36	309	K.C. Jail	Corrections Captain	66
Chinn, Allen James	1/21/2009	24	252	Parks	Rec Cntr Coord	52
Clarke, Charles C	1/21/2009	8	186	SPU	Executive 4	60
Corcoro, Erlinda Y	2/3/2009	1	321	Vested	Vested- Comptroller	60
Cox, Michael J	2/4/2009	27	60	City Light	Asg CC Coordinator	63
Foss, Lorraine Kay	1/9/2009	10	72	Fire	Admin Specialist II	62
Gotidoc, Edgardo L	2/4/2009	9	168	Muni Courts	Muni Court Marshall	62
Guernsey, Dorothy A	1/8/2009	30	37	Parks	Grounds	61
Larrimore, Ethlyanne	2/4/2009	38	70	Library	Librarian	68
Lucarelli, Pamela J	1/21/2009	29	44	Parks	Admin Spec - II	65
Maricich, Dominic D	2/4/2009	30	207	DPD	Permit Process Leader	65
Martinez, Jesse M	2/4/2009	12	264	DEA	Admin Spec-1	67
Morgan, Robert A	2/4/2009	26	250	Legislative	Strat Advsr - Legislative	55
Ordon, Erlinda	2/4/2009	27	294	DEA	Admin Spec II	57
Palmason, Debra K	2/3/2009	17	275	City Light	Admin Staff Anlyst	59
Paxson, Sandra A	1/5/2009	39	349	K.C. Health	Nurse	70
Poasi, Sosaia Nguauamo	1/3/2009	9	343	SPU	Maint Laborer	62
Poort, Leo E	2/3/2009	32	5	Police	Legal Advisor	64
Sampson, Charles E	1/21/2009	36	240	Police	COM SRV OFCR	59
Wyatt, Lila M	2/4/2009	25	56	Fleets	Admin Spec -II BU	55
Zdenek, Joseph C	2/4/2009	28	269	Fleets	Carpenter CC	62

Motion: Upon motion by Rod Rich, seconded by Mark McDermott, the Retirement Board approved the service retirements listed above, pending final review.

Last month 31 new members entered the System, 24 retired from the System, there were 2 retirement continuations due to death of retiree, 1 pop-up to retiree due to death of beneficiary 2 retirement adjustments due to social security payments beginning and 20 others terminated City employment.

Ratification of Investment Transactions and Statement of Securities and Cash:

Information: Provided in the Retirement Board packet is the Investment Summary report that represents the transaction summary and the market value of the investments as of January 31, 2009.
(Attachment #2 – Board only)

During this section, Mark McDermott asked what has been the lowest funding level of the plan over the past 15 years. Ms. Carter expressed she would research that information and have it available for the next meeting.

Motion: Upon motion by Lou Walter, seconded by Rod Rich, the Retirement Board accepted the Investment Summary report.

Investment Committee Report:

Ms. Carter reported the next investment committee meeting will be Thursday, March 26, 2009. This will be a round table of our fixed income managers.

Additionally, she reported the February 26, 2009 Investment Committee meeting was held in conjunction with the Investment Advisory Board and a review of the December 31, 2008 fund performance as reported by Pension Consulting Alliance took place during the meeting. The February Investment Committee meeting reiterated quarter end performance and the following:

- For the quarter ending 12.31.2008 the fund was down 14.9%
- For the year ending 12.31.2008 the fund was down 26.8%
- SCERS' fund performance was aided by our underweight to emerging markets which as an asset class was down 55% for the 2008 calendar year.
- During the committee meeting a question was put forth to review benchmarks to ensure our managers are properly aligned for their mandate and style.
- The Investment Committee reviewed the new Statement of Investment Policy and Procedures and adopted the version dated 02.26.2009 – this new policy statement will be distributed to all money managers currently doing business with SCERS and will be made part of future request to do business.
- Reams Asset Management was reviewed and put on a formal watch notice to be re-reviewed at the close of the quarter ending September 30, 2009.

Executive Director Report:

- Employee buy-back report
 - As of February 27, 2009 -
 - 829 members requested participation in the buy back program
 - \$ 2,183,571.69 dollars were committed by employees to this program
 - \$ 2,180,844.59 dollars have been paid by the various departments (\$2,727.10 still due)
 - this represents 26.79% of eligible members participated in this program to date
 - the special buy-back program is now closed

Old Business:

(1) Status of Benefit Enhancements

Information: The estimated current funding level of the Retirement Fund is: 63.06% as of Nov. 30, 2008.

The above amount is an estimate calculated each month by the Retirement Office staff. As provided by Ordinance 120685, changes to the Floor COLA will occur once the funding level has reached at least 100% and has been confirmed by the Board after commissioning an actuarial valuation.

(2) Investment Policy Project

- New policy adopted and will be uploaded to our web site and distributed to existing managers.

Motion: Upon motion by Rod Rich, seconded by Lou Walter, the Retirement Board accepts the recommendation of the Investment Committee to adopt as a policy the "Statement of Investment Policy and Procedures" dated 03.01.2009 as presented and that this will become the new investment policy from this date forward.

New Business:

Executive Session

The Board reserves the right to enter into executive session if necessary.

Motion: Upon motion by Mary Norris, seconded by Rod Rich, the Retirement Board voted to go into Executive Session at 9:40 am to receive a legal update from counsel regarding Imperium Renewables LLC.

Motion: Upon motion by Jean Godden, seconded by Mary Norris, the Retirement Board voted to come out of Executive Session at 10:07 am.

Motion: Upon motion by Mark McDermott, seconded by Rod Rich, the Retirement Board voted to go into Executive Session at 10:08am to discuss personnel matters regarding the Executive Director's annual review.

Motion: Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board voted to come out of Executive Session at 10:30 am.

Adjournment

Motion: Upon motion by Rod Rich, seconded by Mary Norris, the Retirement Board voted to adjourn the meeting at 10:30 am.

Mark McDermott, Secretary